

**BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES**



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EFFECTIVE:**

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

**CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND**

**\$22.59 /CWT
\$1.44 /LB**

EFFECTIVE JANUARY 1, 2008:

The minimum price to pay milk producers, under ARM 32.24.301, is \$22.59 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 14.4 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment.

The value of one pound of butterfat utilized will be \$1.44.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$18.53 /CWT

Average spray process dry milk solids
price per pound = \$1.84000
Multiplied by 8.2 x 8.2
\$15.08800
Last quote of the month for Grade AA butter
minus a differential of \$.0895 = \$1.23050
Multiplied by 4.2 x 4.2
\$5.16810

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\$15.08800

+ \$5.16810
\$20.25610
- \$1.72177
\$18.53433

LESS a make allowance of 8.5% (\$20.2561 X .085)

Rounded to the nearest whole cent = \$18.53 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$1.37 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.23050	X .111)	= \$0.13659
Rounded to the nearest half cent				= \$0.137

Butterfat value per pound		
for milk at 3.5% test:	\$1.37	

Hundredweight price of milk testing 3.5%		=	\$18.53
LESS 3.5 pounds of butterfat at	\$1.37 per pound	-	\$4.795
Value of 96.5 pounds of skim		=	\$13.735

CLASS II VALUE OF

ONE POUND OF SKIM	13.735 / 96.5 pounds)	=	\$0.14233 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$15.97 /CWT**

3.5 pounds of butterfat	x	\$1.11 per pound =	\$3.885
96.5 pounds of skim	x	\$0.12523 per pound =	\$12.085
			<u>\$15.970 /CWT</u>

CLASS III BUTTERFAT PRICE PER POUND**\$1.11 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.23050
LESS 10%	-	\$0.12305
		<u>\$1.10745</u>

Rounded to the nearest whole cent	=	\$1.11 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$12.52304 /CWT**

Avg. spray process dry milk solid price/lb =	\$1.84000
Multiplied by 8.2	x 8.2
	<u>\$15.08800</u>
LESS 17%	-
	<u>\$12.52304</u>

Rounded to the nearest whole cent	=	\$12.52 per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick

Monte Nick, Bureau Chief
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$22.59 FOR 3.5% MILK 96.5 LBS = \$17.550			CLASS II SKIM PRICE BASED ON \$18.53 FOR 3.5% MILK 96.5 LBS = \$13.735			CLASS III SKIM PRICE BASED ON \$15.97 FOR 3.5% MILK 96.5 LBS = \$12.085		
Blend Prices			Blend Prices			Blend Prices		
Quota	Excess		Quota	Excess		Quota	Excess	
Jan-98	\$ 14.16	\$ 10.10	Jul-01	\$ 15.48	\$ 13.36	Jan-05	\$ 15.51	\$ 13.80
Feb-98	\$ 14.38	\$ 10.11	Aug-01	\$ 16.52	\$ 13.92	Feb-05	\$ 15.67	\$ 10.61
Mar-98	\$ 14.50	\$ 9.65	Sep-01	\$ 15.74	\$ 14.58	Mar-05	\$ 14.32	\$ 11.99
Apr-98	\$ 14.50	\$ 9.65	Oct-01	\$ 16.74	\$ 13.29	Apr-05	\$ 15.03	\$ 12.43
May-98	\$ 13.72	\$ 8.71	Nov-01	\$ 15.40	\$ 12.22	May-05	\$ 14.74	\$ 12.74
Jun-98	\$ 13.37	\$ 10.65	Dec-01	\$ 14.90	\$ 10.38	Jun-05	\$ 14.57	\$ 11.81
Jul-98	\$ 12.91	\$ 12.54	Jan-02	\$ 12.99	\$ 10.60	Jul-05	\$ 14.09	\$ 12.30
Aug-98	\$ 14.53	\$ 13.06	Feb-02	\$ 12.90	\$ 10.78	Aug-05	\$ 15.16	\$ 13.33
Sep-98	\$ 16.03	\$ 13.37	Mar-02	\$ 12.77	\$ 10.50	Sep-05	\$ 15.47	\$ 12.66
Oct-98	\$ 16.12	\$ 14.72	Apr-02	\$ 12.72	\$ 10.20	Oct-05	\$ 14.76	\$ 13.77
Nov-98	\$ 16.34	\$ 15.91	May-02	\$ 12.55	\$ 10.84	Nov-05	\$ 14.97	\$ 13.21
Dec-98	\$ 17.17	\$ 15.55	Jun-02	\$ 11.51	\$ 8.79	Dec-05	\$ 14.96	\$ 12.29
Jan-99	\$ 16.94	\$ 10.92	Jul-02	\$ 12.30	\$ 9.46	Jan-06	\$ 14.15	\$ 12.46
Feb-99	\$ 17.54	\$ 9.92	Aug-02	\$ 11.82	\$ 10.15	Feb-06	\$ 14.08	\$ 12.58
Mar-99	\$ 16.75	\$ 9.63	Sep-02	\$ 11.86	\$ 10.36	Mar-06	\$ 14.05	\$ 12.55
Apr-99	\$ 11.95	\$ 10.31	Oct-02	\$ 11.68	\$ 10.11	Apr-06	\$ 12.71	\$ 11.21
May-99	Missing May		Nov-02	\$ 11.60	\$ 10.66	May-06	\$ 12.44	\$ 10.94
Jun-99	\$ 12.86	\$ 9.51	Dec-02	\$ 12.04	\$ 10.61	Jun-06	\$ 11.98	\$ 10.48
Jul-99	\$ 12.85	\$ 11.66	Jan-03	\$ 12.85	\$ 10.61	Jul-06	\$ 11.44	\$ 9.94
Aug-99	\$ 13.25	\$ 13.11	Feb-03	\$ 11.08	\$ 9.52	Aug-06	\$ 12.24	\$ 10.74
Sep-99	\$ 14.79	\$ 12.26	Mar-03	\$ 11.31	\$ 9.65	Sep-06	\$ 12.44	\$ 10.94
Oct-99	\$ 16.32	\$ 10.20	Apr-03	\$ 11.10	\$ 10.06	Oct-06	\$ 12.57	\$ 11.07
Nov-99	\$ 17.00	\$ 8.10	May-03	\$ 11.17	\$ 9.80	Nov-06	\$ 13.73	\$ 12.23
Dec-99	\$ 12.68	\$ 8.18	Jun-03	\$ 10.99	\$ 9.49	Dec-06	\$ 13.42	\$ 11.92
Jan-00	\$ 11.39	\$ 8.14	Jul-03	\$ 11.23	\$ 10.00	Jan-07	\$ 13.91	\$ 12.41
Feb-00	\$ 12.33	\$ 7.98	Aug-03	\$ 11.65	\$ 12.40	Feb-07	\$ 14.48	\$ 12.98
Mar-00	\$ 12.15	\$ 8.05	Sep-03	\$ 12.58	\$ 12.67	Mar-07	\$ 14.65	\$ 13.15
Apr-00	\$ 12.18	\$ 8.03	Oct-03	\$ 14.50	\$ 14.08	Apr-07	\$ 15.17	\$ 13.67
May-00	\$ 12.35	\$ 7.79	Nov-03	\$ 14.09	\$ 12.38	May-07	\$ 16.11	\$ 14.61
Jun-00	\$ 12.47	\$ 7.83	Dec-03	\$ 14.60	\$ 11.22	Jun-07	\$ 17.64	\$ 16.14
Jul-00	\$ 13.11	\$ 9.21	Jan-04	\$ 14.15	\$ 10.59	Jul-07	\$ 19.84	\$ 18.34
Aug-00	\$ 13.51	\$ 8.04	Feb-04	\$ 12.75	\$ 11.64	Aug-07	\$ 21.84	\$ 20.34
Sep-00	\$ 13.38	\$ 9.53	Mar-04	\$ 13.15	\$ 12.48	Sep-07	\$ 22.18	\$ 20.68
Oct-00	\$ 13.49	\$ 8.14	Apr-04	\$ 14.23	\$ 13.94	Oct-07	\$ 22.25	\$ 20.75
Nov-00	\$ 13.40	\$ 10.31	May-04	\$ 14.45	\$ 13.95	Nov-07		
Dec-00	\$ 12.82	\$ 9.29	Jun-04	\$ 18.35	\$ 12.97	Dec-07		
Jan-01	\$ 14.01	\$ 10.23	Jul-04	\$ 19.04	\$ 10.58	Jan-08		
Feb-01	\$ 13.47	\$ 9.91	Aug-04	\$ 17.27	\$ 11.19	Feb-08		
Mar-01	\$ 12.84	\$ 10.47	Sep-04	\$ 14.63	\$ 11.29	Mar-08		
Apr-01	\$ 14.10	\$ 11.76	Oct-04	\$ 14.24	\$ 11.17	Apr-08		
May-01	\$ 14.68	\$ 12.62	Nov-04	\$ 15.26	\$ 11.49	May-08		
Jun-01	\$ 15.78	\$ 13.09	Dec-04	\$ 13.86	\$ 10.66	Jun-08		

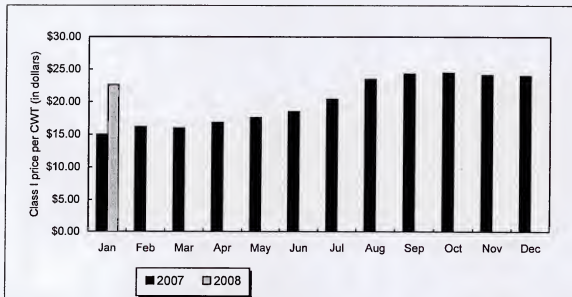
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2007 and 2008

Statistics from the Montana Milk Control Bureau

Month	2007	2008	Difference	% Change
January	\$14.98	\$22.59	\$7.61	50.80%
February	\$16.14			
March	\$15.94			
April	\$16.80			
May	\$17.55			
June	\$18.47			
July	\$20.39			
August	\$23.46			
September	\$24.31			
October	\$24.46			
November	\$24.14			
December	<u>\$24.00</u>			
Average	\$20.05	\$22.59	\$7.61	50.80%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

OCTOBER 2007: Class I = \$15.29; Class II = \$1.45; Class III = \$5.45; total = \$22.19

(calculations based upon utilization percentages of butterfat & skim)